



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN
Chief Administrative Officer

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GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

December 6, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**AMENDED JOINT POWERS AGREEMENTS FOR CALABASAS LANDFILL,
MISSION CANYON LANDFILL, AND LOS ANGELES COUNTY REFUSE DISPOSAL
TRUST FUND
(3rd DISTRICT - 3 – VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and Instruct the Chair to execute the enclosed Amendment to the Joint Powers Agreement (JPA) for the Los Angeles County Refuse Disposal Trust Fund; the Fourth Amendment to the Amended JPA for the Calabasas Landfill; and the Third Amendment to the Amended JPA for the Mission Canyon Landfill.

PURPOSE / JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended amendments to the JPAs between the County and the County Sanitation District No. 2 of Los Angeles County (District) will allow proceeds from the sale of lease revenue bonds for projects at the Calabasas Landfill Project to be allocated pursuant to your Board's prior direction. It will also provide for ongoing post-closure activities at Mission Canyon Landfill and future improvements at the Calabasas and Mission Canyon landfill sites and modify certain rights and responsibilities relative to future maintenance and operations at these sites.

Background

On November 22, 2005, your Board authorized the issuance of up to \$40.0 million in lease revenue bonds to finance certain capital improvement projects at the Calabasas Landfill.

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As envisioned under your Board's authorization, proceeds from the bond issue will fund the completion of the required improvements at the Calabasas Landfill and reimburse the Los Angeles County Refuse Disposal Trust Fund (Trust Fund) for previous expenditures related to the initiation of capital improvements at the Calabasas Landfill.

In order to satisfy these objectives and secure repayment of the proposed bonds, the Joint Powers Agreements between the County and the District for the Los Angeles County Refuse Disposal Trust Fund, Calabasas Landfill, and Mission Canyon Landfill must be amended.

Recommended JPA Amendments

Approval of the Amendment to the Refuse Disposal Trust Fund JPA is recommended to ensure the appropriate crediting of interest earned by the Equipment Pool sub-account in the Trust Fund and to establish a reserve in the Trust Fund for an onsite groundwater protection system that may be required in the future by the State Regional Water Quality Control Board or other State regulatory agency.

Approval of the Fourth Amendment to the Calabasas Landfill JPA is recommended to provide for a pledge of the landfill's revenue that exceeds operation and maintenance costs, to secure the County's repayment of the bond obligation and to provide your Board with the authority to set tipping and other fees at levels that ensure the adequacy of the landfill revenues to fund debt service on the bonds. Other revisions in the Fourth Amendment to the Calabasas Landfill JPA provide for the continued deposit of excess tipping fees in the amount of \$1.00 per ton to the Net Economic Benefits Account for future improvements in the Calabasas Landfill service area.

Approval of the Third Amendment to the Mission Canyon Landfill JPA is recommended to allow funds transferred from the Refuse Disposal Trust Fund to be used for long-term post-closure maintenance and capital improvements at the Mission Canyon Landfill, and for future improvements at the site. In addition, as the District no longer uses the Mission Canyon Landfill for refuse disposal purposes, the JPA terminates the District's usufructuary rights at the site.

These amendments were approved by the Board of County Sanitation District No. 2 on November 16, 2005.

FISCAL IMPACT / FINANCING

The required improvements at the Calabasas Landfill are estimated to cost \$30.0 million. To date, \$10.6 million has been advanced from the Trust Fund to initiate the implementation of the improvements. Proceeds from the proposed bond issue will reimburse the Trust Fund for funds that had been expended for the Calabasas Landfill Project and provide \$19.4 million to complete the improvements.

Debt service on the bonds is estimated by the Treasurer to range from \$2.5 million in 2006 to \$3.4 million in 2022. Under the proposed amendment to the Calabasas JPA, your Board maintains the authority to adjust tipping fees at the Calabasas Landfill to ensure revenues are sufficient to meet the District's funding needs related to the landfill and the debt service requirements of the bonds.

Approval of the proposed JPA amendments will also allow the allocation of \$7.6 million from the Trust Fund to meet ongoing post-closure maintenance activities at the Mission Canyon Landfill over the next 25 years and provide for future improvements at the Mission Canyon Landfill site.

FACTS AND PROVISIONS / LEGAL REQUIREMENTS

The Calabasas and Mission Canyon Landfill sites are both owned by the County. The District commenced operation of the Mission Canyon Landfill in 1960 under a use permit issued by the City of Los Angeles. Due to the expiration of the use permit, the District stopped accepting refuse at the landfill in 1980 and land filling operations have been suspended indefinitely. Under the proposed Amendments to the JPAs, the District's contractual rights to conduct land filling operations at the Mission Canyon Landfill will terminate but the District will continue to maintain the site if County requests it to do so at no cost to the District. The District currently operates the Calabasas Landfill and is responsible for all aspects of the ongoing land filling activities and for regulatory compliance under the landfill's solid waste facilities permit.

The Calabasas Landfill, Mission Canyon Landfill, and Trust Fund JPAs between the County and the District together assign the rights and responsibilities among the parties for the ongoing operation and maintenance of the sites, as well as a funding mechanism for

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expenditures from the Trust Fund to be used at Mission Canyon for maintenance and for the purpose of constructing fixed improvements necessary for conducting solid waste management operations at the Calabasas Landfill. The Trust Fund JPA requires that such expenditures be made only with the consent and approval of both the County and the District. The proposed JPA amendments will authorize expenditures from the Trust Fund for maintenance at the Mission Canyon Landfill without the need for further approval by either party.

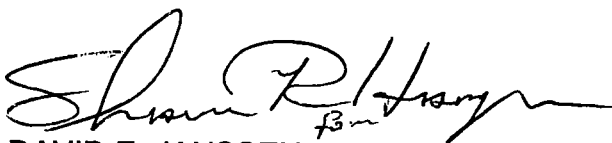
IMPACT ON CURRENT SERVICES OR PROJECTS

Approval of the recommended actions will allow Calabasas Landfill to meet regulatory requirements and continue operations.

CONCLUSION

Please transmit approved copies of the Board letter to the Chief Administrative Office and Sanitation Districts.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "David E. Janssen", with a stylized flourish at the end.

DAVID E. JANSSEN
Chief Administrative Officer

DEJ:JSE
DJT:mdc

Attachments

c: Auditor-Controller
County Counsel
Sanitation Districts

**THIRD AMENDMENT TO
AMENDED JOINT POWERS AGREEMENT - MISSION CANYON LANDFILL**

THIS AMENDMENT TO AGREEMENT is made and entered into this _____ day of _____, 2005, by and between the COUNTY OF LOS ANGELES, hereinafter referred to as "County", and COUNTY SANITATION DISTRICT NO. 2 OF LOS ANGELES COUNTY, hereinafter referred to as "District".

WHEREAS, County and District entered into an Amended Joint Powers Agreement – Mission Canyon Landfill, dated April 1, 1966, which agreement was subsequently amended on October 6, 1970, and June 19, 1973, for the operation of the Mission Canyon Landfill refuse disposal facility, which agreement as amended is hereinafter referred to as the "Agreement"; and

WHEREAS, District is no longer using the Mission Canyon Landfill site for refuse disposal purposes; and

WHEREAS, County and District desire and intend to provide for the long-term maintenance of the Mission Canyon Landfill site and to enhance its use in the future for park and recreational purposes; and

WHEREAS, County and District desire to allow the termination of District's usufructuary right earlier than is presently provided, so long as funds necessary and sufficient for the ongoing long-term maintenance of the site and for the purpose of beautifying and improving the Mission Canyon Landfill site for park and recreational purposes; and

WHEREAS, County may desire District to continue to perform long-term operation and maintenance of the Mission Canyon Landfill site including the ongoing operation, maintenance and construction of all landfill environmental control systems; and

WHEREAS, District desires to facilitate its performance under the Agreement by delegating to District's Chief Engineer and General Manager the authority to take appropriate actions to carry out the purposes of the Agreement;

NOW, THEREFORE, the parties agree as follows:

1. The first paragraph of Section 3 of the Agreement is amended to read as follows:

3. County agrees that District shall have usufructuary right to use the real property described on Exhibit "A" hereto for refuse disposal purposes until said real property has served the purposes of this Agreement and shall have been completely filled as hereinafter specified, or until District's transfer of \$7,600,424 from the Refuse Disposal Trust Fund to County as provided in Section 11, whichever shall occur first, whereupon all rights of the District in said real property shall terminate.

2. The first sentence of Section 5 of the Agreement is amended to read as follows:

5. District agrees that its refuse disposal operations conducted on the Mission Canyon Landfill site, and any operation and maintenance activities as provided in Section 13, shall be in accordance with good and accepted engineering practices and all applicable laws and regulations applying thereto.

3. Section 11 of the Agreement is amended to read in its entirety as follows:

District agrees that it will leave said lands, or portions thereof, in a condition usable for park and recreational purposes insofar as possible in light of the type of activity and the disturbance of the terrain necessitated by refuse landfill operations.

District agrees that, upon any given major section of the land used for refuse disposal being brought to finished elevation and grade and when such area is no longer necessary for refuse disposal purposes, District shall surrender possession thereof to County free and clear of any and all claims thereto by District.

The parties do hereby further agree that, upon District's surrendering said filled areas to County, monies from the Trust Fund shall be transferred to a Special Accumulated Capital Outlay Fund to be established by County for the purpose of beautifying and improving the Mission Canyon Landfill site for park and recreational purposes. The amount of monies to be transferred to said Accumulated Capital Outlay Fund for such purposes shall be \$5,000 per acre of surrendered filled areas, multiplied by the Engineering News Record Construction Cost Index on the date District surrenders possession of said land to County and divided by said Index of July 1, 1965.

It is agreed that upon surrender of said filled areas by District, County shall accept and use or cause to be used said areas for park and recreational purposes and shall promptly improve and beautify said areas for such use. County further agrees that monies transferred by District from the Trust Fund to said Special Accumulated Capital Outlay Fund shall be used for improving and beautifying only such areas as are surrendered by District to the County.

Nothing contained in this agreement shall be construed to preclude District from making temporary transfers of any portion of said Mission Canyon site for park and recreational uses by County until said lands are needed by District for refuse disposal purposes.

Notwithstanding the foregoing, and in addition to District's obligation to transfer monies from the Trust Fund to a Special Accumulated Capital Outlay Fund as provided in this Section, the parties agree that District shall transfer \$7,600,424 from the Trust Fund to County as soon as sufficient funds are available in the Trust Fund for that purpose. This amount is equal to the sum of: (1) \$6,826,424, the amount estimated by District to be required for the maintenance of the Mission Canyon site for 25 years, which sum shall be placed in an interest bearing fund ("Mission Canyon Maintenance Fund") to be used for the maintenance of the Mission Canyon site for 25 years or such longer period as may be necessary, and (2) \$774,000, to be placed in the Special Accumulated Capital Outlay Fund described above. At such time as funds remain in the Mission Canyon Maintenance Fund that will no longer be needed for the maintenance of the

Mission Canyon site, as agreed by the parties, such funds shall be transferred to County's General Fund.

4. Section 13 of the Agreement is amended to read in its entirety as follows:

13. At the conclusion of operations by District, whether upon completion of the landfill, the imposition of onerous conditions by the City of Los Angeles, default by District, or the termination of District's usufructuary right, as herein provided, District shall pay into the Trust Fund all monies representing revenue from the Mission Canyon Landfill whether in the District's Mission Canyon Working Capital Fund or any other fund less all unpaid costs of District directly or indirectly incurred in the operation and maintenance of said site, and District shall convey to County title and possession of all drainage facilities and other site improvement structures and materials, together with all air photographs, maps, and engineering reports and data acquired or developed by District in the course of the operation of said site, which are not needed by District to perform any operation or maintenance activity or construct capital improvements at the Mission Canyon Landfill site pursuant to this Agreement. District shall thereafter promptly collect all accounts receivable and deposit them in the Trust Fund.

County may thereafter request that District continue to perform ongoing operation and maintenance of all landfill environmental control systems and construct capital improvements thereto at a level sufficient to meet all regulatory requirements, including but not limited to landfill gas monitoring and control systems, surface water and groundwater quality monitoring and control systems, and related drainage, irrigation and landscaping, and District agrees to perform such work at a level consistent with District's historical and current ongoing operations for as long as requested by County, provided District's reasonable costs of performing such work are reimbursed by County. Costs reimbursable to District shall be billed in accordance with District's standard billing procedures.

County may request that District perform, at historical levels, other operation and maintenance and construct other capital improvements not identified above at the Mission Canyon Landfill site, and District may agree to perform such work provided District's reasonable costs of performing such work are reimbursed by County. Costs reimbursable to District shall be billed in accordance with District's standard billing procedures.

In the event a subsurface barrier system or other system for groundwater protection is required by the California Regional Water Quality Board, Los Angeles Region, or other regulatory agency with jurisdiction, District shall construct, operate, maintain and monitor such system at a level sufficient to meet all regulatory requirements, at no cost to District, and District's reasonable costs of performing such work shall be reimbursed from the Trust Fund. Costs reimbursable to District shall be billed in accordance with District's standard billing procedures.

5. Section 20 is added to the Agreement to read as follows:

20. The Chief Engineer and General Manager or his or her designee is fully authorized to take any and all actions on behalf of District including, without limitation, all

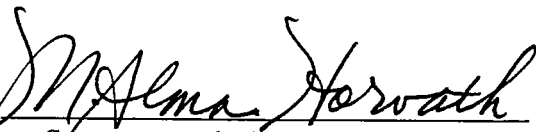
consents, approvals and authorizations that, in his or her judgment, serve to carry out the purposes of this Agreement.

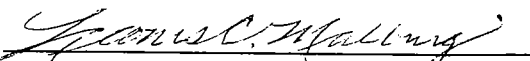
6. Except as otherwise provided, all terms and conditions of the Amended Joint Powers Agreement – Mission Canyon Landfill, as amended, between County and District shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment to Agreement as of the date and year set forth above.

ATTEST:

COUNTY SANITATION DISTRICT
NO. 2 OF LOS ANGELES COUNTY

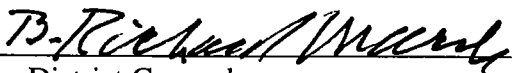
By 
Secretary to the Board

By 
Chairperson, Board of Directors

NOV 16 2005

APPROVED AS TO FORM:

LEWIS, BRISBOIS, BISGAARD & SMITH LLP

By 
District Counsel

ATTEST:
VIOLET VARONA-LUKENS
Executive Officer-Clerk of the Board

COUNTY OF LOS ANGELES

By _____
Deputy

By _____
Chairman, Board of Supervisors

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By _____

**FOURTH AMENDMENT TO
AMENDED JOINT POWERS AGREEMENT - CALABASAS LANDFILL**

THIS AMENDMENT TO AGREEMENT is made and entered into this _____ day of _____, 2005, by and between the COUNTY OF LOS ANGELES ("County"), and COUNTY SANITATION DISTRICT NO. 2 OF LOS ANGELES COUNTY ("District").

WHEREAS, County and District entered into an Amended Joint Powers Agreement – Calabasas Landfill, dated April 1, 1966, which agreement was subsequently amended on January 20, 1976, February 13, 1991, and June 29, 1999, for the operation of the Calabasas Landfill refuse disposal facility (this agreement as amended is hereinafter referred to as the "Agreement"); and

WHEREAS, District has completed the development of a gas collection system at the Calabasas Landfill, as provided in the Third Amendment to Amended Joint Powers Agreement – Calabasas Landfill, dated June 29, 1999 ("Third Amendment"); and

WHEREAS, the parties desire to provide for the continued deposit of funds into the account established by the Third Amendment, which account is used to provide monies to create or conserve habitat in the vicinity of the Calabasas Landfill; and

WHEREAS, at the request of District, County proposes to issue bonds to provide funds for needed capital improvements at the Calabasas Landfill and to pledge revenues from the operation of the landfill as security for the bonds; and

WHEREAS, District desires to facilitate its performance under the Agreement by delegating to District's Chief Engineer and General Manager the authority to take appropriate actions to carry out the purposes of the Agreement;

NOW, THEREFORE, the parties agree as follows:

1. Section 3 of the Agreement is amended to read in its entirety as follows:
 3. (a) County agrees that District shall have a usufructuary right to use the real property described on Exhibit "1" hereto for refuse disposal purposes until said real property has served the purposes of this Agreement and shall have been completely filled as hereinafter specified.
 - (b) District's usufructuary right to use said property shall include the right to sell or dispose of soil, sand, gravel, trees and such other physical properties on said land as may be necessary or convenient for use of said land for refuse disposal purposes. District shall also have the right to enter into agreements with others with respect to the use of said land or the rendering of services thereon during the period of its usufructuary right.
 - (c) All receipts and expenses related to this Section 3 shall be made into and out of District's Calabasas Working Capital Fund.

(d) Prior to the transfer of monies to the Trust Fund as provided in Section 7 of this Agreement, that portion of all receipts representing \$1 per ton of solid waste received at the landfill gate shall be placed each month in an interest bearing account ("the Net Economic Benefits Account") previously established and maintained by District within District's Calabasas Working Capital Fund for the deposit of certain funds received from the development of a landfill gas collection system at the Calabasas Landfill.

(e) Monies in the Net Economic Benefits Account will be used to acquire land to create or conserve habitat or to create, maintain or operate visitor-serving uses on publicly-owned habitat in the area depicted in Exhibit "3," said land lying within the service area of the Calabasas Landfill pursuant to Los Angeles County Ordinance No. 91-0003. The Los Angeles County Supervisor representing the supervisorial district which geographically includes the Calabasas Landfill, the Director of Public Works of County, and the Director of Parks and Recreation of County will jointly direct District to expend monies from the Net Economic Benefits Account for the specified purpose, and shall specify the agency of County or other entity possessing appropriate expertise, in which title to acquired land shall be placed.

(f) County proposes to enter into tax exempt obligations in one or more series ("Bonds") to provide funds for payment or reimbursement for capital improvements necessary for the continued operation of the Calabasas Landfill. District agrees that to accommodate such financing, notwithstanding the provisions of subsections (a) and (b) above, County may in its sole discretion lease, transfer, sell or convey the Calabasas Landfill to the proposed issuing entity for the Bonds and may lease back or acquire the Calabasas Landfill from such issuing entity. County agrees that District shall be authorized to withdraw proceeds of the Bonds from the Project Fund established under the indenture for the Bonds pursuant to the requisition procedure set forth therein for the capital improvements necessary for the continued operation of the Calabasas Landfill.

"Revenues" means all gross income and revenue received or receivable by County or District from the ownership or operation of the Calabasas Landfill, determined in accordance with generally accepted accounting principles, including all payments received by County or District from the sale of gas and the other services of the Calabasas Landfill, tipping fee revenues, all proceeds of business interruption insurance or extra expense insurance relating to the Calabasas Landfill, proceeds of other insurance relating to the Calabasas Landfill and proceeds of eminent domain proceedings, in each case to the extent such proceeds are to be treated as revenues under the indenture for the Bonds, investment income (to the extent generally available to pay costs of the Calabasas Landfill), and all other money howsoever derived by County or District from the ownership or operation of the Calabasas Landfill or otherwise arising from the Calabasas Landfill.

"Maintenance and Operation Costs" means, for any period, the reasonable and necessary costs paid or incurred by County or District for maintaining and operating the Calabasas Landfill, determined in accordance with generally accepted accounting principles, including (among other things) all required closure and post-closure maintenance funding, all reasonable expenses of management and repair and other expenses necessary to maintain and preserve the Calabasas Landfill in good repair and working order, and including all

administrative costs of County or District that are charged directly or apportioned to the operation of the Calabasas Landfill, salaries and wages of employees, overhead, insurance, taxes (if any) and insurance premiums, and including all other necessary and reasonable costs of County or District or charges required to be paid by it to comply with the terms of the law, the indenture or the Bonds, such as compensation, reimbursement and indemnification of the trustee for the Bonds and fees and expenses of independent engineers; but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor and amortization of intangibles or other bookkeeping entries of a similar nature, costs of capital additions, replacements, betterments, extensions, or improvements to the Calabasas Landfill, which under generally accepted accounting principles are charged to a capital account or to a reserve for depreciation, and excluding any payment of debt service on the Bonds.

The definitions of Revenues and Maintenance and Operation Costs set forth herein shall exclude all revenues and costs of any future methane gas facility to be developed or financed at the Calabasas Landfill if, at the time of such development or financing, County and District approve such exclusion.

As used in this subsection and in Sections 6 and 7 hereof, "Net Revenues" means, for any Bond Year (as defined in the indenture for the Bonds), the Revenues during such Bond Year less the Maintenance and Operation Costs during such Bond Year.

In order to provide security for the Bonds and to provide the lowest borrowing costs for County, District and County hereby pledge all of the Net Revenues to secure County's obligation to repay the Bonds. This pledge shall constitute a first lien and charge on such Net Revenues, as may be assigned by County for the purposes of the financing.

(g) Notwithstanding the provisions of Sections 11 and 13 herein, District's rights as defined in subsections (a) and (b) of this Section 3 shall extend until December 31, 2012, and shall continue annually thereafter until termination by mutual agreement of the Director of Public Works of County and the Chief Engineer and General Manager of District, provided, however, that the term of this Agreement may be terminated with no less than six months prior notice to County by District at any time after the Calabasas Landfill has served the purposes of this Agreement and shall have been completely filled, if within the reasonable judgment of District's Chief Engineer and General Manager the District determines that the postclosure operation and maintenance of the landfill are substantially complete and that any rights conveyed to any third parties for sanitary landfill purposes, for landfill gas-to-energy purposes, or otherwise for the economic utilization of the landfill gas resource have terminated or reverted to District.

2. Section 6 of the Agreement is amended to read in its entirety as follows:

6. In consideration of District's agreement to perform postclosure operation and maintenance for County as provided in Section 11 hereof and in consideration of County's entering into Bonds as provided in Section 3(f) hereof, County and District agrees that the prices to be charged for the disposal of refuse at the Calabasas Landfill shall be fixed from time to time as determined by County, after consultation with and advisement by District, to effectuate the

purposes of this Agreement; provided, however, that it is understood and agreed that prices will be established at such level as will be sufficient to produce revenues which are adequate to fund District's immediate requirements for the Calabasas Landfill site, including (1) to provide and pay for District's cost of site development and implementation, operation and maintenance, site beautification, closure, postclosure maintenance including financial assurances therefor as required by law, and, if necessary, liabilities and obligations assumed in agreements with others of the rights and powers granted to District in Section 3 hereof, (2) to fund the Net Economic Benefits Account as provided in Section 3(d) hereof, and (3) to produce Net Revenues sufficient to pay debt service on the Bonds for each Bond Year, including provision for payment of the next succeeding installment of payments on the Bonds.

3. Section 7 of the Agreement is amended to read in its entirety as follows:

7. Within thirty (30) days after complete execution of this Agreement and sixty (60) days after the end of each quarterly period of each fiscal year thereafter, District agrees to transfer to and deposit in said Trust Fund such monies as District may have on hand in the Calabasas Working Capital Fund which are deemed by District after consultation with County to be in excess of its immediate requirements for the Calabasas Landfill site, and in any event such initial deposit shall include all revenues due and owed to County from refuse disposal operations conducted by District on said site on and after July 1, 1964 and if County has received any such revenues prior to execution of this Agreement, it shall, within thirty (30) days after execution hereof, transfer and deposit the same in said Trust Fund. It is understood and agreed that no funds shall be transferred from the Calabasas Working Capital Fund to the Trust Fund at any time when the Bonds have not been paid or provision for payment of the next succeeding installment of payments on the Bonds by County has not been made.

Notwithstanding the foregoing, at any time and from time to time, prior to any transfer to the Trust Fund, excess monies on hand in the Calabasas Working Capital Fund may be applied, in County's sole discretion and at the direction of County, to reimburse County for any amounts paid by County, other than from Net Revenues, for payment of interest, principal or premium on the Bonds; and such excess monies may be applied, as agreed by County and District, to prepay amounts coming due on the Bonds, to purchase Bonds on the open market in order to retire the same, and/or to deposit to any account to defease such Bonds.

4. Section 20 is added to the Agreement to read as follows:

20. The Chief Engineer and General Manager or his or her designee is fully authorized to take any and all actions on behalf of District including, without limitation, all consents, approvals and authorizations that, in his or her judgment, serve to carry out the purposes of this Agreement.

5. Except as otherwise provided, all terms and conditions of the Amended Joint Powers Agreement – Calabasas Landfill, as amended, between County and District shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment to Agreement as of the date and year set forth above.

ATTEST:

COUNTY SANITATION DISTRICT
NO. 2 OF LOS ANGELES COUNTY

By M. Alma Horvath
Secretary to the Board

By Germis C. Maloney
Chairperson, Board of Directors
NOV 16 2005

APPROVED AS TO FORM:

LEWIS, BRISBOIS, BISGAARD & SMITH LLP

By B. Richard Mandy
District Counsel

ATTEST:
VIOLET VARONA-LUKENS
Executive Officer-Clerk of the Board

COUNTY OF LOS ANGELES

By _____
Deputy

By _____
Chairman, Board of Supervisors

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By _____

**AMENDMENT TO JOINT POWERS AGREEMENT
(LOS ANGELES COUNTY REFUSE DISPOSAL TRUST FUND)**

THIS AMENDMENT TO AGREEMENT is made and entered into this _____ day of _____, 2005, by and between the COUNTY OF LOS ANGELES, hereinafter referred to as "County", and COUNTY SANITATION DISTRICT NO. 2 OF LOS ANGELES COUNTY, hereinafter referred to as "District".

WHEREAS, County and District entered into a Joint Powers Agreement (Los Angeles County Refuse Disposal Trust Fund), dated April 1, 1966, hereinafter referred to as the "Agreement," to provide for the refuse disposal needs of the County through the use of monies derived from refuse disposal and transfer operations conducted by District pursuant to various Joint Powers Agreements; and

WHEREAS, to that end, the Agreement established a trust fund into which surplus monies derived from charges made by District for refuse disposal are deposited and from which such monies may be expended as provided in the Agreement; and

WHEREAS, County and District desire to provide that monies in the trust fund may be used to pay for costs of maintenance and capital improvements and other post-closure costs at the Mission Canyon Landfill; and

WHEREAS, County and District desire to ensure that sufficient funds will be reserved in the trust fund to pay for costs related to providing a groundwater protection system at the Mission Canyon Landfill as provided herein; and

WHEREAS, District desires and County agrees to provide for the replenishment of interest to the trust fund from the equipment pool as provided herein; and

WHEREAS, District desires to facilitate its performance under the Agreement by delegating to District's Chief Engineer and General Manager the authority to take appropriate actions to carry out the purposes of the Agreement;

NOW, THEREFORE, the parties agree as follows:

1. A paragraph is added to Section 3 of the Agreement to read as follows:

The parties shall endeavor to maintain a reserve in the Trust Fund sufficient to fund the estimated costs of construction, operation and maintenance, monitoring and related costs of an on-site subsurface barrier system or other system at the Mission Canyon Landfill for groundwater protection as may be required by the California Regional Water Quality Board, Los Angeles Region, or other regulatory agency with jurisdiction. Such costs are currently estimated by District to be between \$3,000,000 and \$3,500,000, which estimate District shall update, upon consultation with County, from time to time but at least annually. The parties agree that expenditures from the Trust Fund are deemed approved (1) for construction, operation and maintenance, monitoring and related costs of an on-site subsurface barrier system or other

system for groundwater protection as described above, or (2) to add funds to the Mission Canyon Maintenance Fund as may be necessary.

2. Subsection (e) of Section 4 of the Agreement is amended to read as follows:

(e) Landscaping, beautification and improvement of existing and former refuse disposal sites, including but not limited to shrubbery, plants, trees, sprinkler system, fences, roads, parking areas and utility systems, if, and to the extent, provided for in the Joint Powers Agreement with respect to said facility and to the extent permitted by law.

3. Section 4 of the Agreement is amended to add subsection (k) to read as follows:

(k) Costs of maintenance and capital improvements and other post-closure costs at the Mission Canyon Landfill.

4. Section 9 of the Agreement is amended to read in its entirety as follows:

9. All interest earned by and upon monies in the Trust Fund and Equipment Pool shall be credited directly to and deposited in the Trust Fund separate from the Equipment Pool account. The parties acknowledge, however, that prior to the date of this Amendment to Agreement, all interest earned by and upon monies in the Equipment Pool, and therefore owed to the Trust Fund, has been retained in the Equipment Pool, except for any funds transferred from the Equipment Pool to the Trust Fund by District on September 28, 2005, which funds District states are in the amount of \$6,500,000. The parties acknowledge that the remaining interest owed to the Trust Fund and not transferred from the Equipment Pool on September 28, 2005, shall be transferred to the Trust Fund by District from time to time as District replenishes the reserve from collected rentals, provided that County reserves the right to request the transfer of any or all such accumulated interest to the Trust Fund at a future date. District estimates that \$3,000,000 is the minimum amount of reserve required to be accumulated in the Equipment Pool under paragraph 6, supra. Notwithstanding the foregoing, commencing on the date of this Amendment to Agreement, all future interest earnings of the Equipment Pool shall be directly deposited in the Trust Fund as required and shall not be deposited in or retained in the Equipment Pool. It is understood and agreed that nothing in this paragraph 9, including the authorized temporary retention of interest in the Equipment Pool as described above, shall act to reduce District's obligations under paragraph 6, supra.

5. Section 17 is added to the Agreement to read as follows:

17. The Chief Engineer and General Manager or his or her designee is fully authorized to take any and all actions on behalf of District including, without limitation, all consents, approvals and authorizations that, in his or her judgment, serve to carry out the purposes of this Agreement.

6. Except as otherwise provided, all terms and conditions of the Joint Powers Agreement (Los Angeles County Refuse Disposal Trust Fund) between County and District shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment to Agreement as of the date and year set forth above.

ATTEST:

COUNTY SANITATION DISTRICT
NO. 2 OF LOS ANGELES COUNTY

By M. Alma Horvath
Secretary to the Board

By Jonis C. Infante
Chairperson, Board of Directors

NOV 16 2005

APPROVED AS TO FORM:

LEWIS, BRISBOIS, BISGAARD & SMITH LLP

By B. Robert M. Wick
District Counsel

ATTEST:
VIOLET VARONA-LUKENS
Executive Officer-Clerk of the Board

COUNTY OF LOS ANGELES

By _____
Deputy

By _____
Chairman, Board of Supervisors

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By _____
Deputy